

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
December 14, 2023

The Tennessee Local Development Authority (the "TLDA") met on Thursday, December 14, 2023, at 2:39 p.m. in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Tre Hargett, Secretary of State, was present and presided over the meeting.

The following members were also present:

Mr. William Wood, Proxy for the Honorable Jason E. Mumpower, Comptroller of the Treasury
 Mr. Jamie Wayman, Proxy for the Honorable David H. Lillard, Jr., State Treasurer
 Commissioner Jim Bryson, Department of Finance and Administration

The following member participated electronically as authorized by Tennessee Code Annotated § 8-44-108:

Mayor Rollen "Buddy" Bradshaw, Senate Appointee

The following members were absent:

The Honorable Bill Lee, Governor
 Mayor Paige Brown, House Appointee

Secretary Hargett called the meeting to order, and in accordance with Public Chapter 300 and Board guidelines, asked Ms. Sandi Thompson, TLDA Assistant Secretary and the Director of the Division of State Government Finance ("SGF"), if any requests for public comment had been received. Ms. Thompson responded that no requests for public comment had been received.

Secretary Hargett announced that due to the lack of a physical quorum, the TLDA would first consider agenda item number four that did not require board action. He stated that the item was a report on a notification from the Town of Oakland, which the Town had submitted to comply with TLDA SRF Policy and Guidance for Borrowers. Ms. Thompson presented the item and explained that the Town had informed the TLDA of its plan to issue debt subordinate to its State Revolving Fund (SRF) loans. She clarified that this was just a notification and that no action was necessary from the board. Secretary Hargett confirmed that the board was duly notified.

With the arrival of Commissioner Bryson at 2:40 p.m., Secretary Hargett recognized that a physical quorum was present and asked Ms. Thompson to conduct a roll call:

Secretary Hargett—Present
 Mr. Wayman—Present
 Mr. Wood—Present
 Commissioner Bryson—Present
 Mayor Bradshaw—Present

Secretary Hargett stated that the next item of business was approval of the minutes from the November 29, 2023, TLDA meeting. He inquired if there were any questions or comments. Hearing none, Secretary Hargett moved approval, and Mr. Wood seconded the motion. Secretary Hargett asked Ms. Thompson to conduct a roll call vote.

Secretary Hargett—Aye
 Mr. Wayman—Aye
 Mr. Wood—Aye
 Commissioner Bryson—Aye
 Mayor Bradshaw—Aye

The minutes were unanimously approved.

Secretary Hargett stated that the next item on the agenda was the requests from the City of Wartburg (the "City") and the Plateau Utility District (the "District"). He called upon Ms. Paula Mitchell, Deputy Director of the Division of Water Resources for the Tennessee Department of Environment and Conservation ("TDEC"), to present the item. Ms. Mitchell reported that TDEC recommended the approval of a request to transfer the City's SRF loan to the District. She stated that the City has an existing Clean Water SRF loan, that was currently in repayment status. Ms. Mitchell reported that the City had borrowed a total of \$1,155,869, and has a remaining balance of \$276,574. She further added that the City had passed a resolution during its meeting on September 18, 2023, that authorized the transfer of the wastewater treatment and collection system, owned and operated by the City, to the District, along with assigning the contract between the City and the Department of Corrections to the District. Ms. Mitchell also reported that the District had a meeting on August 18, 2023, where it approved, through resolution, the acceptance of the transfer of the City's loan, the wastewater treatment plant and operations, and the contract with the Department of Corrections. She stated that the SRF program had conducted a financial sufficiency review and determined that the District was financially capable of assuming indebtedness from the City. Therefore, she stated that staff recommended approval of the requests. Secretary Hargett inquired if there were any questions for Ms. Mitchell. Hearing none, he motioned to approve the request to transfer the City's SRF loan to the District and to approve the request to revise the security pledge to a combined water and wastewater system revenue pledge of the District. Commissioner Bryson seconded the motion. Secretary Hargett inquired if there was any discussion. Hearing none, he asked Ms. Thompson to conduct a roll call vote:

Secretary Hargett—Aye
 Mr. Wayman—Aye
 Mr. Wood—Aye
 Commissioner Bryson—Aye
 Mayor Bradshaw—Aye

Secretary Hargett asked if business was concluded. Ms. Thompson replied that the request from the District and the City were comprised of two parts. Secretary Hargett apologized and requested Ms. Thompson to present the second part of the request. Ms. Thompson explained that the District requested the TLDA's approval to assume the City's SRF loan on parity with its current 2012 and 2020 bonds and for its security pledge to be combined into a water and wastewater system (the "Combined System") revenue pledge of the District. Additionally, she stated that the City would assign its 2020 revenue bonds to the District with an updated security pledge of the Combined System. Ms. Thompson further stated that the District had outstanding Series 2012 Revenue Bonds and requested that the TLDA assign the security for the SRF loan on parity with the Series 2012 and Series 2020 bonds. She stated that the City and the District believed that the TLDA's approval of these requests was in the public interest as it would facilitate the transfer of the system from the City to the District, which the City had determined to be in the best interest of its citizens. Ms. Thompson stated that TLDA staff had analyzed the request to determine that specific criteria were met per the TLDA SRF Policy and Guidance for Borrowers. She stated that staff reviewed current and projected debt service coverage of the Combined System. She further stated that the SRF loan repayments had been timely, the audited financial statements had been filed in a timely manner, and the security deposit would be funded. She reported that there were sufficient revenues to cover the current and future debt service requirements, and that the debt service coverage ratio met or exceeded the 1.2 times requirement. Ms. Thompson noted that the District's annual budget had been adopted and submitted to Local Government Finance for approval. Therefore, based on the results of the analysis, Ms. Thompson stated that it appeared the District met the TLDA's criteria to assume the City's SRF loan on parity with the Series 2012 Bonds and Series 2020 Bond with an updated security pledge of the Combined System. Secretary Hargett acknowledged that his prior motion was premature and stated that without objection it would approve both parts of the request. Hearing no objections, Mr. Hargett confirmed with Ms. Thompson that all requests had been addressed, and she responded affirmatively.

Hearing no other business, Secretary Hargett moved to adjourn the meeting. Mr. Wood seconded the motion. Secretary Hargett asked all in favor to say aye, and all opposed to say no. The vote was unanimously approved.

The meeting was adjourned.

Approved on this 25th day of March, 2024.

Respectfully submitted,

Sandra Thompson
Sandra Thompson
Assistant Secretary

